

## Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 L-03 SCI-06 EB-11 COME-00 TRSE-00 OMB-01

SCEM-02 AID-20 CEQ-02 CIAE-00 COA-02 DODE-00 EPA-04

INR-10 IO-13 NSF-04 NSC-10 NSAE-00 PM-07 RSC-01 SS-15

SPC-03 INT-08 /143 R

DRAFTED BY ARA:HWSHLAUDEMAN:PAL

9/14/73 EXT 23542

APPROVED BY ARA:HWSHLAUDEMAN

ARA/CAR:WBWHEELER

L/ARA:TBOREK

SCI/EN:GDKULIK (PHONE)

----- 101698

R 142217Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L STATE 183685

E.O. 11652: GDS

TAGS: ENGR, SENU, DR

SUBJECT: PUERTO RICAN PETROLEUM SUPER PORT

REF: (A) SANTO DOMINGO 3693 AND (B) SANTO DOMINGO 3517

1. DEPUTY ASSISTANT SECRETARY SHLAUDEMAN HAS BEEN IN CONTACT WITH PUERTO RICAN SECRETARY OF STATE PONS AND HAS FURNISHED HIM THE TEXT OF THE DOMINICAN NOTE. PONS HAS RESPONDED WITH A WRITTEN STATEMENT WHICH HE SUGGESTS WE MIGHT WISH TO DRAW UPON IN PREPARING OUR RESPONSE TO THE DOMINICAN NOTE. TEXT FOLLOWS.

BEGIN QUOTE: WE BELIEVE THAT FEARS EXPRESSED IN THE NOTE CONCERNING POSSIBLE DAMAGE TO THE COASTAL AREAS OF THE DOMINICAN REPUBLIC FROM OIL SPILLS ARE UNFOUNDED FOR THE FOLLOWING REASONS:

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(1) THE MONA PASSAGE BETWEEN THE DOMINICAN REPUBLIC AND PUERTO RICO IS A MAJOR OUTLET OF WARM WATER FROM THE CARIBBEAN FLOWING INTO THE ATLANTIC OCEAN- CURRENTS THERE ARE NORTH-NORTH-WEST, JOINING THE GULF STREAM WHICH PASSES NORTH OF THE GREATER ANTILLES ON ITS WAY TO THE COAST OF FLORIDA. THEREFORE, A SPILL AT MONA ISLAND ON THE WEST COAST OF PUERTO RICO WOULD DRIFT INTO THE ATLANTIC, NOT TO THE BEACHES OF THE DOMINICAN REPUBLIC.

(2) SHIPS CARRYING OVER 2,500,000 BARRELS PER DAY OF CRUDE OIL AND PRODUCTS (MAINLY RESIDUAL FUEL) NOW TRAVEL NORTHWARD THROUGH THE MONA PASSAGE FROM VENEZUELA TO THE US EAST COAST. THESE TANKERS AVERAGE UNDER 40,000 TONS DEAD WEIGHT, SO TEN OR MORE LOADED TANKERS PASS THE EAST COAST OF THE DOMINICAN REPUBLIC EACH DAY. WE ARE UNAWARE OF ANY COMPLAINTS FROM THE DOMINICAN GOVERNMENT ABOUT THIS TRAFFIC.

(3) WHETHER THE SUPER PORT IS LOCATED ON MONA ISLAND OR THE WEST COAST OF PUERTO RICO, IT POSES NO RISK TO THE DOMINICAN REPUBLIC WHICH WOULD BE 40 TO 90 MILES AWAY. WE QUOTE FROM A STUDY BY THOMAS E. CARROLL, ASSISTANT ADMINISTRATOR FOR PLANNING AND MANAGEMENT, U.S. (ENVIRONMENTAL) PROTECTION AGENCY: 'AT OFFSHORE LOCATIONS (ASSUME 20 MILES) CONSTRUCTION EFFECTS ARE MINIMIZED AND THE PROBABILITY THAT SPILLED OIL WILL ENTER SENSITIVE ESTUARINE AREAS IS MUCH REDUCED. IN ADDITION, THE WEATHERING OF OIL THAT COULD TAKE PLACE ENROUTE TO AN ESTUARY AREA WOULD TEND TO REMOVE THE MOST IMMEDIATELY TOXIC AND LETHAL FRACTIONS OF THE OIL. THE CONSENSUS OF THE RESEARCHERS WAS THAT FAR OFFSHORE LOCATIONS MINIMIZE THE POTENTIAL FOR ENVIRONMENTAL DAMAGE.'

FINALLY, THE DOMINICAN REPUBLIC MAY BE UNAWARE THAT THE PROPOSED SUPER PORT WOULD BE BUILT WELL WITHIN THE THREE MILE LIMIT OF TERRITORIAL WATERS. THIS FACILITY WILL BE IN REALITY AN ONSHORE RATHER THAN AN OFFSHORE DOCK, NOT (EMPHASIS NOT) SUBJECT TO ANY OF THE AGREEMENTS GOVERNING INTERNATIONAL WATERS. WE DO NOT BELIEVE THAT FACILITIES BUILT WITHIN ANY SOVEREIGN NATION'S OWN WATERS CAN BE IN

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ANY WAY RESTRAINED BY ANOTHER NATION.

WE BELIEVE THAT EACH COUNTRY MUST MAKE USE OF ITS BEST RESOURCES IN ORDER TO DEVELOP ECONOMICALLY. PUERTO RICO IS STILL A DEVELOPING COUNTRY WHICH MUST UTILIZE ALL ITS RESOURCES TO FIGHT UNEMPLOYMENT. DEEP, PROTECTED WATERS CLOSE TO SHORE AND FAVORABLE OIL IMPORT REGULATIONS MAKE PUERTO RICO AN IDEAL PLACE FOR A SUPER PORT. ON THE

OTHER HAND THE DOMINICAN REPUBLIC HAS VERY LOW WAGES WHICH HAVE HELPED TO ATTRACT MANY LIGHT INDUSTRIES WHICH OTHERWISE MIGHT HAVE LOCATED IN PUERTO RICO. END QUOTE.

3. FYI PONS EXPRESSED SKEPTICISM WITH RESPECT TO THE REAL NATURE OF THE DOMINICAN INTEREST IN THIS MATTER. HE RECALLED TALKING PERSONALLY IN APRIL TO THE GODR FOREIGN MINISTER AND OFFERING TO PROVIDE SPECIFIC INFORMATION IF THE DOMINICANS WOULD SPELL OUT WHAT THEY WANTED. HE SAID HE HAS AS YET RECEIVED NO REPLY DESPITE A SUBSEQUENT FOLLOW-UP WITH THE FOREIGN MINISTER. PRESIDENT BALAGUER'S CANCELLATION OF THE SCHEDULED AUGUST 27 APPOINTMENT WITH MOSCOSO WAS TREATED BY PONS AS FURTHER EVIDENCE OF A LACK OF SERIOUSNESS. PONS DID ACKNOWLEDGE THAT MOSCOSO WAS INVITED TO APPEAR BEFORE THE DOMINICAN DEVELOPMENT COUNCIL, BUT SAID THAT MOSCOSO'S SCHEDULE DID NOT PERMIT THIS APPEARANCE. PONS SEEMED TO BE REFLECTING PUERTO RICAN ANNOYANCE AT BALAGUER'S FAILURE TO RECEIVE MOSCOSO.

4. PONS COMPLAINED THAT THE GODR IS AGGRESSIVELY SEEKING TO ATTRACT MANUFACTURING ENTERPRISES PRESENTLY OPERATING IN PUERTO RICO BY HOLDING OUT PROSPECT OF LOWER WAGES. HE SUGGESTED THAT THE DOMINICANS MAY HAVE IN MIND A SIMILAR OPERATION WITH RESPECT TO THE CONSTRUCTION OF THE SUPER PORT. END FYI.

5. WE PLAN TO REVIEW SITUATION WITH PONS AGAIN AT AN EARLY DATE AND WOULD APPRECIATE YOUR FURTHER ASSESSMENT AND RECOMMENDATIONS ON SPECIFIC POINTS WE SHOULD RAISE WITH PONS. WOULD IT BE USEFUL TO SUGGEST THAT MOSCOSO TRY AGAIN TO SEE BALAGUER? OR SHOULD SOME OTHER MEANS BE DEVELOPED FOR ESTABLISHING DIALOGUE? WE WOULD ALSO APPRECIATE YOUR VIEWS ON PUERTO RICAN STATEMENT IN PARA 1 ABOVE AND  
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ON NATURE OF REPLY WE MIGHT MAKE TO DOMINICAN NOTE. RUSH

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NNN

## Message Attributes

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